

(Please use the day's Agenda along with this document)

## **I. ISSUES RECOMMENDED FOR "VOTE ONLY" (Through to Page 20)**

- **Action:** Approve all items from pages 2 through 20 as noted in the Staff Recommendation section of each item.
- **Vote:** 3-0 on items on items, B 1, B 2, B 4, B 5, B 7, B 8, B 9, B 10, B 11, C 2, C 3, and C 4.
- **Vote:** 2-1 (Cogdill) on items, A 1, B 3, B 6, and C 1.

## **II. ISSUES FOR DISCUSSION (Page 21)**

### **A. Item 4265 Department of Public Health (Discussion Items)**

#### **1. AIDS Drug Assistance & HIV/AIDS Program Adjustments (Page 21)**

- **Action.** Modified the Budget Bill Language (changing may to shall) as noted on Page 23 and approved funding.
- **Vote:** 3-0

#### **2. Follow-Up to Licensing and Certification Fees Discussion (Page 21)**

- **Action:** **(1)** increased by \$364,333 (General Fund) to pay the L&C Fees for District Hospitals with less than 100 beds; **(2)** increased by \$2.6 million (General Fund) to reduce the L&C Fees of certain health care facilities using the same methodology as done in the Budget Act of 2006; **(3)** adopted statutory language regarding other L&C revenues which had been previously adopted as "placeholder" language in the May 7th hearing; **(4)** adopted statutory language regarding the use of the General Fund support; and **(5)** adopted placeholder trailer bill language regarding the Joint Commission on Accreditation of Healthcare Organizations certification as referenced above.
- **Vote:** 3-0 on items 1,3, and 5.
- **Vote:** 2-1 (Cogdill) on items 2 and 4.

**3. Implementation of Proposition 84 Bond Act on Safe Drinking Water (Page 21)**

- **Action.** (1) Adopted Budget Bill Language (hand out) and (2) Approved the Finance Letter.
- **Vote:** 2-1 (Cogdill) on the Budget Bill Language (for Proposition 84 Bonds).
- **Vote:** 3-0 on the Finance Letter.

**B. Item 4280 Managed Risk Medical Insurance Board (Discussion Items)**

**1. Healthy Families Program—Baseline and Caseload Estimate (Page 34)**

- **Action.** Approved the Healthy Families May Revision.
- **Vote:** 2-1 (Cogdill)

**2. Change in the Healthy Families to Medi-Cal Bridge—Fiscal & Trailer (Page 36)**

- **Motion.** Approved the “presumptive eligibility” proposal, including the trailer bill language.
- **Vote:** 2-1 (Cogdill)

**3. Access for Infants and Mothers (AIM) Program (Page 38)**

- **Motion.** Approved the AIM Program as proposed.
- **Vote:** 2-1 (Cogdill)

**C. Item 4260 Department of Health Care Services (Page 40)**

**1. California Children’s Services (CCS) Program: Significant Concerns with Access to Necessary Durable Medical Equipment (DME) & Medical Supplies**

- **Action.** Adopted the Budget Bill Language as shown on page 42.
- **Vote:** 2-0 (Cogdill not voting)

**2. Adjustments to AB 2911--CA Drug Discount Prescription Drug (Page 43)**

- **Action.** Approved with the technical correction regarding the item number.
- **Vote:** 2-1 (Cogdill)

**3. Medi-Cal Baseline Estimate Package & Technical Adjustments (Page 44)**

- **Action.** Approved *with* the technical correction.
- **Vote:** 2-1 (Cogdill)

**4. Medi-Cal Program's Draft Response Re: Performance Measures & People with Disabilities and Chronic Conditions (Page 47)**

- **Action.** **(1)** Adopted Budget Bill Language to require the Department of Health Care Services to develop an action plan, as shown on Page 49 of the Agenda; **(2)** Provided \$325,000 (in federal funds) to support the three positions; **(3)** Provided \$450,000 (in federal funds) for interagency agreements or contracts as contained in the Budget Bill Language on Page 50; and **(4)** Adopted trailer bill language regarding use of the federal Maternal and Child Health Title V funds for this purpose.
- **Vote:** 2-1 (Cogdill)

**5. Rate Increases for Medi-Cal Managed Care Plans (Page 52)**

- **Action.** **(1)** Approved the increase of \$214.3 million (total funds); **(2)** Adopted trailer bill language to codify the Administration's proposed rate methodology changes; **(3)** transferred the authority to establish all Medi-Cal Managed Care rates to the Department of Health Care Services (including COHS and GMCs—GMC rates would be competitive and kept confidential).
- **Vote:** 3-0 Items 1 and 3
- **Vote:** 2-1 (Cogdill) Item 2

**6. Personalized Provider Directories for Medi-Cal --Trailer Bill (Page 56)**

- **Action.** Adopted placeholder trailer bill language that would have the components as listed in the Agenda on page 56.
- **Vote.** 3-0

**7. Trailer Bill For Quality Improvement Fee for Medi-Cal Managed Care (Page 57)**

- **Action.** Approved the May Revision proposal, including the trailer.
- **Vote.** 3-0

**8. Administration's Trailer Bill-- AB 1629 Nursing Home Rates (Page 58)**

- **Action.** Approved to **(1)** restore the nursing home rates to the full **5.5** percent; **(2)** extend the sunset for the rate methodology for one-year (to 2009); **(3)** reject the Administration's trailer bill language to change the out year reimbursement to use the medical CPI, and *instead*, adopt placeholder trailer bill language which would provide for a **5.5** percent increase or the medical cost-of-living increase which ever is higher; and **(4)** extend the required evaluation report on the program for one-year.
- **Vote.** 3-0

**9. Proposed Trailer Bill—Enteral Nutrition Products & Medical Supplies (Page 60)**

- **Action.** Adopted place holder trailer bill language as contained in the Agenda.
- **Vote.** 2-0 (Cogdill not voting)

**10. Reduction to Rates Paid to Pharmacists for Dispensing Drugs (Page 62)**

- **Action.** (1) Recognized savings of *only* \$57.4 million (\$28.7 million General Fund), or \$20 million (total) less than proposed by the Administration in order to increase dispensing fees; (2) adopted place holder language that authorizes the Administration to proceed with implementation of the Average Manufacturer's Price once it is available from the federal government; and (3) adopted placeholder language that within 30-days of the implementation of the Average Manufacturer's Price, the DHCS shall recalculate the Pharmacy dispensing fee and implement the recalculation.
- **Vote.** 3-0

**11. Improve State's Responsiveness & Partnership with Counties (Page 65)**

- **Action.** Adopted trailer bill language as contained in the Agenda on page 66.
- **Vote.** 2-1 (Cogdill)

**12. Constituency Request for Trailer Bill Language: Conlan vs. Shewry (Page 68)**

- **Action.** Adopted trailer bill language as contained in the Agenda on page 68.
- **Vote.** 2-1 (Cogdill)

**13. Trailer Bill:- Protection of Director's Right to Recover Medi-Cal (Page 71)**

- **Action.** Adopted placeholder trailer bill language as a work in progress.
- **Vote.** 3-0

**D. Item 4300 Department of Developmental Services (Discussion Items)**

**1. Proposed Changes to Intermediate Care Facilities—DD Bundled Rate (Page 72)**

- **Action.** (1) Proceed with the ICF-DD bundled rate; (2) Replace the Public Transportation Funding with General Fund support for an increase of \$128.8 million; and (3) Adopt Budget Bill Language to ensure that all changes made will be seamless to providers, consumers and their families (BBL in Agenda).
- **Vote.** 3-0 for items 1 and 3
- **Vote:** 2-1 (Cogdill) for item 2.

**2. Administration's May Revision Estimate for the Regional Centers (Page 75)**

- **Action.** Approved the May Revision, including trailer bill language for the cost containment measures.
- **Vote:** 2-1 (Cogdill).

**3. Update on the Agnews Developmental Center Closure (Page 79)**

- **Action.** Approved the May Revision.
- **Vote:** 2-1 (Cogdill).

**Developmental Centers**

**1. Developmental Centers (Page 81)**

- **Action** Approved the May Revision.
- **Vote:** 2-1 (Cogdill).

**E. Item 4440 Department of Mental Health (*Discussion Items*)**

**Community-Based Mental Health & State Support Issues (Page 83)**

**1. Significant Issues Regarding the Early, Periodic Screening and Treatment (EPSDT) Program Requires Legislative Oversight and Funding**

- **Action** (1) Provided \$59.7 million (General Fund) for 2006-07; (2) Provided \$107.6 million (General Fund) for 2007-08; (3) Established a reimbursement through **a separate budget item** and provided \$260.2 million (General Fund) over a three year period with payments of \$86.7 million.
- **Vote:** 2-0 (Cogdill not voting).

**2. Mental Health Managed Care Program—Two Issues (Page 87)**

- **Action.** (1) **Approved the technical May Revision adjustments;** (2) increase by \$12 million (General Fund) to restore the 5 percent; and (3) adopted trailer bill language for the 5 percent.
- **Vote:** 3-0 for item 1
- **Vote:** 2-1(Cogdill) for item 2 and 3

**3. Forensic Conditional Release Program (CONREP) (Page 89)**

- **Action.** Approved the May Revision.
- **Vote:** 3-0 for item 1

**4. Sexually Violent Predator (SVP) Evaluations and Court Testimony (Page 89)**

- **Action.** Approved the May Revision.
- **Vote:** 3-0 for item 1

## **Mental Health State Hospital Issues (Page 93)**

### **1. May Revision Reflects Substantial Patient Population Changes (Page 95)**

- **Action.** Approved the May Revision.
- **Vote:** 3-0 for item 1

### **2. Coleman Lawsuit –Related Salary Adjustments (Page 97)**

- **Action.** Approved the fiscal adjustments with modified Budget Bill Language to require the DMH to provide a quarterly update on staffing as contained in the Agenda.
- **Vote:** 2-1(Cogdill)

### **3. Salary Adjustment for the Perez (Page 99)**

- **Action.** Approved the May Revision.
- **Vote:** 2-1(Cogdill)

### **4. Salinas Valley Psychiatric Program—18 Bed Unit for IST's (Page 100)**

- **Action.** Approved the May Revision.
- **Vote:** 3-0

### **5. Pilot Treatment Project for IST Patients ((Page 101)**

- **Department of Mental Health (Cindy Radavsky) --Questions on Page 102.**
- **Motion** Approved the LAO recommendation which includes the \$4.3 million for the pilot and the Budget Bill Language for the expenditure plan.
- **Vote:** 3-0



**E. Item 0530 CA Health & Human Services Agency (Page 103)**

**1. Concerns Regarding Management of Low-Level Radioactive Waste (Page 103)**

- **Action:** Adopted the trailer bill language as contained in the Agenda on Page 105.
- **Vote:** 2-1(Cogdill)

**2. CHHS Agency Finance Letter For “Price” Reduction**

- **Action:** Adopted the Finance Letter to reduce CHHS Agency for “price”.
- **Vote:** 3-0